

WCHSA ES TAC Recommendation

Topic: Performance Standards Utilized to Measure Right of First Selection

Problem Description or Issue:

Background:

The Right of First Selection (ROFS) is determined at the end of the first year of the current two-year W-2 Contract. Almost all W-2 agencies are not meeting the required ROFS performance levels with just six weeks left in the defined measurement period. Recent attention in the press has interpreted this data as evidence that agencies are significantly failing to provide adequate and appropriate services to W-2 clients.

Several new performance measures were defined by DWD for the current contract starting January 1, 2002. There has been universal agreement that performance measurement is an appropriate mechanism to monitor services. However, issues relative to how the performance is operationally defined and measured have been consistently raised over the past 12 months by the Performance Standards subcommittee, the Contract Issues subcommittee, and the full C&I committee. It is the position of the subcommittee that the issue is not that agencies have failed to perform appropriately, but that the measurement methods have not been clearly, adequately or timely defined to allow for fair review of performance.

The issues raised are:

- The new performance standards are not working as intended. The standards of Earnings Gain, Assessment, and Extensions are not in compliance with the contractual intent of Performance Standard language in the 2002-2003 W-2 contract.
- There are numerous technical reporting issues. DWD staff did not identify which data elements in CARES were to be used for all the measures. Some measurements are still undefined as of November 2002, while others were defined several months after contract initiation. The method used to measure one standard (Earnings Gain) has been unanimously agreed to be an entirely inadequate and misleading measure of the desired activity.
- Required reports on the cited measures have not been made available to local agencies in a timely manner. Numerous instances of incorrect data definitions have been identified, and may not be able to be changed retroactively to reflect actual performance.
- The factor of a significant downturn in the economy has not been addressed in the 35% benchmark of the Entered

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Employment standard. The 35% measure was formulated at the historically highest peak of Wisconsin's economic performance. Should agencies be required to find jobs that are simply not available during the current recession?

- The standards are measured by the timeliness of entries into CARES and do not reflect the timing or the type of services provided by agency staff. At times customers may receive a reduction in service if an agency insures they only provide the service needed to meet the standards rather than the services customers require.

Recommendation:

The methods used for the standards of Earnings Gain, Assessment, and Extensions should be jointly re-evaluated by DWD staff and the C&I Performance Standard subcommittee, and should be removed from the current contractual language as criteria for Right of First Selection for contract year 2002.

Additionally, the percentage achievement requirement (35%) for the Entered Employment standard should be adjusted downward to realistically reflect the effects of the current economic recession, since the existing standard requirements reflect job opportunities available during booming economic times.

Pro's

- Would allow for a fair and equitable Right of First selection process by removing the disputed standards of Assessment, Earnings Gain, and Timely Extensions from the Right of First Selection criteria for 2002.
- Allows for the accurate reflection of Assessment, Earnings Gain, and Timely extension process by developing a process to measure those same outcomes.
- Will accurately reflect what the benchmark should be for Entered Employments by using the current labor market information. This will also assist agencies in making appropriate W-2 placements by insuring that customers are given realistic employment goals.

Con's

- Would require a change to the current contract.